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Message Text

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14
ACTION NEA-10

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R 080842Z DEC 76
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TO USDOC WASHDC
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UNCLAS TEHRAN 12146

E.O. 11652: NA
TAGS: BEXP, IR
SUBJ: LICENSING/INVESTMENT OPPORTUNITY: GOI MINISTRY
OF HOUSING AND URBAN DEVELOPMENT SEEKS ADDITIONAL
INSTALLED ELEVATOR CAPACITY

1. OFFICE OF GOI MINISTER OF HOUSING AND URBAN DEVELOPMENT (HOMAYUN JABER-ANSARY) REQUESTED THAT APPROPRIATE EMBASSY OFFICERS VISIT MINISTRY TO DISCUSS GOI'S DESIRE FOR ADDITIONAL ELEVATOR ASSEMBLY CAPACITY IN IRAN. SUBSEQUENT MEETING WAS CHARIED BY MR. F. YAZDANPANAH, WHO DESCRIBED HIMSELF AS DIRECTOR OF IRAN-SCHINDLER COMPANY(IRANIAN-SWISS JOINT VENTRUE IN ELEBATOR MANUFACTURING IN IRAN), BUT IN FACT A MINISTRY OF HOUSING REPRESENTATIVE DETAILED TO IRAN-SCHINDLER PURSUANT TO GOI EQUITY IN THIS COMPANY. MR. K. SALAMAT, ALSO OF IRAN-SCHNIDLER, PARTICIPATED, TOGETHER WITH ECONOMIC/ COMMERCIAL COUNSELOR BREWIN AND ECONOMIC/COMMERCIAL OFFICER SCHERMERHORN FROM EMBASSY. SUMMARY OF MEETING FOLLOWS.

2. MR. YAZDANPANAH SAID THAT MARKET DEMAND FOR ELEVATORS IN IRAN, CURRENTLY 3,800 ANNUALLY OF WHICH 500 ARE PRO-DUCED LOCALLY AND THE BALANCE IMPORTED. THE BULK OF THE IMPORTS COME FROM SWITZERLAND, GERMANY, ITALY AND JAPAN, WITH OCCASIONALLY SMALL DELIVERIES FROM THE U.S.(PRINCI-PALLY, WESTINGHOUSE). GIVEN THE BOOM IN CONSTRUCTION, ANNUAL DEMAND FOR ELEVATORS IS EXPECTED TO RISE TO 6,000-8,000 UNITS WITHIN TWO OR THREE YEARS. THERE ARE THREE MANUFACTURING FACILITIES NOW MANUFACTURING ELEVATORS IN IRAN ON A PHASED BASIS, AS FOLLOW: IRAN-SCHINDLER COMPANY (500 UNITS); OTIS ELEVATOR(U.S. JOINT VENTURE, 1,000
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UNITS); AND IRAN LIFT AND ESCALATOR HAUSEHAHN 'JOINT

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VENTURE WITH GERMAN FIRM, 400 UNITS). PROGRESS OF THE
SCHINDLER VENTURE HAS BEEN SLOW AND MR. YAZDANPANAH SAID
THAT THE MINISTER OF HOUSING WOULD BE PARTICULARLY INTERESTED
IN RECEIVING A PROPOSAL FROM WESTINGHOUSE OF THE U.S. HE
INDICATED THAT OFFERS FROM OTHER QUALIFIED AMERICAN FIRMS
WOULD ALSO BE WELCOME.

3. MR. YAZDANPANAH SAID THAT THE INDUSTRIAL CREDIT BANK
OF IRAN HOLDS THE MANUFACTURING LICENSE FOR THE ESTABLISH-
MENT OF A FOURTH ELEVATOR MANUFACTURING UNIT, WHICH WILL
BE ESTABLISHED IN ARAK. A THOUSAND UNITS WILL BE MANU-
FACTURED PER YEAR WITH CAPACITY RISING TO 2,500 OVER TIME.
THE IRANIAN PARTNERS IN THE VENTURE WOULD SUPPLY THE
NECESSARY SHEET METAL AND CHEMICAL PARTS AND WOULD IMPORT
INITIALLY THE RELAYS, METERS, SWITCHES AND OTHER ELECTRICAL
REQUIREMENTS. PASSENGER LIFTS WOULD HAVE THE FOLLOWING
SPECIFICATIONS: 4,6,8,12,16,20-PERSON CAPACITY
WITH UP TO 25 STOPS AND SPEEDS UP TO 2.5 M/SECONDS.
FREIGHT ELEVATORS WOULD HAVE CAPACITY UP TO 2.5 TONS.
CONSTRUCTION LIFTS OF A CAPACITY OF ONE TON, WITH TRAVEL
ABOUT 80 METIERS. THE MANUFACTURE OF HYDRAULIC LIFTS
FOR MULTI-STORY BUILDINGS, INCLUDING CAR PARKINGS, IS
ALSO DESIRED.

4. MR. YAZDANPANAH SAID THAT THE GOVERNMENT PREFERS
THAT THE VENTURE BE 100-PERCENT IRANIAN OWNED, ALTHOUGH
THE GOI IS PREPARED TO CONSIDER A JOINT VENTURE WITH
FOREIGN EUITY. THE AMERICAN COLLABORATOR, ASSUMING A
100-PERCENT IRANIAN FIRM, WOULD RECEIVE A LICENSING FEE
FOR THE KNOW-HOW PLUS ENGINEERING AND OTHER FEES FOR
TECHNICAL ASSISTANCE AND TRAINING. INTERESTED AMERICAN
FIRMS ARE INVITED TO CORRESPOND WITH MR. YAZDANPANAH AT
THE FOLLOWING ADDRESS:

MR. F. YAZDANPANAH
MECHANICAL ENGINEER
IRAN-SCHINDLER COMPANY
NO. 8, DIBAJ STREET, KOUROSH KABIT AVENUE
TEHRAN, IRAN
(TEL: 663544)

THE IRANIAN PARTNERS IN THE VENTURE HAVE NOT YET REGISTERED
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THE COMPANY BUT WOULD PROCEED TO DO SO WHEN SUITABLE
(PREFERABLY AMERICAN) FOREIGN PARTNER IS FOUND.

5. ACTION REQUESTED: USDOC IS REQUESTED TO INFORM
WESTINGHOUSE OF THE FOREGOING AND ASCERTAIN ITS LEVEL
OF INTEREST IN THE PROPOSAL. THERE IS NO OBJECTION
TO MAKING THE FOREGOING AVAILABLE TO OTHER QUALIFIED
U.S. MANUFACTURERS. EMBASSY WOULD APPRECIATE RE-

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CEIVING REPORT FROM USDOC RE ANY INTERESTED U.S.
FIRMS.
HELMS

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